



Agenda Date: 06/23/04

Agenda Item: 2B

***State of New Jersey***  
**Board of Public Utilities**  
**Two Gateway Center**  
**Newark, NJ 07102**  
*www.bpu.state.nj.us*

IN THE MATTER OF THE PUBLIC SERVICE )  
ELECTRIC AND GAS COMPANY'S REQUEST )  
TO INCREASE ITS GAS SOCIETAL BENEFITS )  
CHARGE CLAUSE RATE TO RECOVER ITS )  
COSTS INCURRED AS A RESULT OF THE )  
BOARD'S UNIVERSAL SERVICE FUND (USF) )  
PILOT PROGRAM )

ENERGY

ORDER APPROVING  
GAS SBC CHARGE

DOCKET NO. GR03110931

(SERVICE LIST ATTACHED)

BY THE BOARD:

On November 21, 2001, the Board issued an Interim Order under Docket No. EX00020091, approving an interim Universal Service (USF) program (2001 pilot program), which provided a one-time fixed credit of \$200 for those who were eligible for the federally funded Low Income Home Energy Assistance Program (LIHEAP). The Interim Order also authorized the utilities to recover their costs resulting from the pilot program through their Societal Benefits Charge (SBC).

On July 16, 2003, as amended by its July 17, 2003 filing, PSE&G submitted a motion to the Board requesting authorization to recover, through its SBC mechanism, \$6.6 million of incurred 2001 USF pilot program costs. The proposed new rate would recover the \$6.6 million from gas customers and would result in a rate increase to an average residential gas heating customer's annual bill of approximately \$2.53 (0.2%) or 0.21 cents per month.

The parties to this proceeding (the Company, the Division of the Ratepayer Advocate, and Staff ) have reached a settlement which proposes an effective date of July 1, 2004, the same date it is anticipated the Board will set the new USF and Lifeline rates for the upcoming year.

Public hearings regarding this request were held in New Brunswick, Hackensack, and Mt. Holly on August 11, 12, and 14, 2003, respectively.

DISCUSSION AND FINDINGS

The Board has reviewed the record in this proceeding and believes the gas costs incurred as a result of the interim USF program are properly recorded in the SBC. Based on the foregoing, the Board HEREBY FINDS the Stipulation to be in the public interest. Accordingly, the Board HEREBY APPROVES the Stipulation in its entirety and incorporates its terms and conditions as if fully set forth herein and HEREBY ADOPTS an interim USF gas factor of 0.2109 cents per therm (excluding Sales and Use Tax) and an interim USF factor of 0.2236 cents per therm (including Sales and Use Tax).

The Board HEREBY ORDERS the Company to file tariff pages that conform to the terms and conditions of this Order with an effective date of July 1, 2004.

DATED: **6/30/04**

BOARD OF PUBLIC UTILITIES  
BY:

***SIGNED***

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JEANNE M. FOX  
PRESIDENT

***SIGNED***

\_\_\_\_\_  
FREDERICK F. BUTLER  
COMMISSIONER

***SIGNED***

\_\_\_\_\_  
CAROL J. MURPHY  
COMMISSIONER

***SIGNED***

\_\_\_\_\_  
CONNIE O. HUGHES  
COMMISSIONER

***SIGNED***

\_\_\_\_\_  
JACK ALTER  
COMMISSIONER

ATTEST:

***SIGNED***

KRISTI IZZO  
SECRETARY